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**FISCAL YEAR 2015
CHILD AND ADULT CARE FOOD PROGRAM
OPERATIONAL MEMORANDUM #17**

TO: Child and Adult Care Food Program Institutions

FROM: Marla J. Moss, Director
Office of School Support Services

DATE: April 20, 2015

SUBJECT: Administrative Review Process Regarding the Child Nutrition (CN) Label, Watermarked CN Label and Manufacturer's Product Formulation Statement

The purpose of this memorandum is to provide State agencies and Child Nutrition Program operators, including the National School Lunch Program, School Breakfast Program, Child and Adult Care Food Program, and Summer Food Service Program, with additional information and clarification on the administrative review (AR) process regarding the Child Nutrition (CN) Label, Watermarked CN Label, and the Manufacturer's Product Formulation Statement (PFS).

Documenting CN Labeled Products Requirements

The CN Label is the gold standard for verifying the crediting of menu items and provides a warranty against audit claims when the product is used according to the manufacturer's instructions. Valid and acceptable documentation for the CN Label is:

- 1) the original CN Label from the product carton; or
- 2) a photocopy of the CN Label shown attached to the original product carton; or
- 3) a photograph of the CN Label shown attached to the original product carton. (CN Labels that are photocopied or photographed must be visible and legible.)

Documenting Watermarked CN Label Requirements

During an AR if the original CN Label, the valid photograph, or photocopy of the original CN Label **is not** available, program operators may provide the Bill of Lading

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(invoice) containing the product name **and**

- 1) a hard copy of the CN Label copied with a watermark displaying the product name and CN number provided by the vendor; or
- 2) an electronic copy of the CN Label with a watermark displaying the product name and CN number provided by the vendor.

Product Formulation Statement (PFS)

Reviewers must not request a PFS or additional crediting information when a valid CN Label or watermarked CN Label is provided by program operators. The PFS should only be requested when reviewing a processed product *without* a CN Label (see attached flowchart - Verifying Acceptable Documentation of CN Labels during an Administrative Review).

CN Label Verification System

Food and Nutrition Service (FNS) is currently working with the Agricultural Marketing Service to develop a CN Label verification system. This system will assist State reviewers during the AR to verify the status of a CN Label as well as the crediting information. The expected completion date for this verification system is fall 2015. Once the CN Label verification system is fully operational, State reviewers are encouraged to use this system to verify crediting information and the validity of the CN number on a CN Label.

If you have any questions regarding this memorandum, please contact the Child and Adult Care Food Program at 517-373-7391.

Attachment

VERIFYING ACCEPTABLE DOCUMENTATION OF CN LABELS DURING AN ADMINISTRATIVE REVIEW

Attachment A

Is the following provided?

